

AMENDED IN SENATE APRIL 12, 2004

SENATE BILL

No. 1235

Introduced by ~~Senator Murray~~ Committee on Transportation
(Senators Murray (Chair), Florez, Karnette, Perata, Scott, Soto,
and Torlakson)

February 12, 2004

An act to amend ~~Section 1655~~ Sections 1655, 1685, and 24011 of, and
to repeal Section 11705.5 of, of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1235, as amended, Committee on Transportation. Vehicles:
peace officers: powers: *private industry partners*.

Existing

(1) *Existing* law specifies the personnel within the Department of Motor Vehicles who have peace officer powers for the purpose of enforcing those provisions of law committed to the administration of the department or enforcing the law on premises occupied by the department, including the Deputy Director, Investigations Division.

This bill would correct a reference from Deputy Director, Investigations and Audits Division to Deputy Director, Investigations Division.

(2) *Existing* law requires the department to provide a report to the Legislature by January 10, on an annual basis, that includes certain information relating to the department's private industry partner program, gathered during the calendar year immediately preceding the report date.

This bill would change the date of the report to October 1 of each year and would require the report to relate to information gathered during the fiscal year immediately preceding the report date.

(3) *The bill would delete or modify various obsolete provisions and references in existing law relating to vehicles.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1655 of the Vehicle Code is amended to
2 read:

3 1655. (a) The director and deputy director of the department,
4 the Deputy Director, Investigations Division, the Chief, Field
5 Investigations Branch, and the investigators of the department,
6 including rank-and-file, supervisory, and management personnel,
7 shall have the powers of peace officers for the purpose of enforcing
8 those provisions of law committed to the administration of the
9 department or enforcing the law on premises occupied by the
10 department.

11 (b) Any person designated in subdivision (a) may inspect any
12 vehicle of a type required to be registered under this code, or any
13 component part thereof, in any garage, repair shop, parking lot,
14 used car lot, automobile dismantler's lot, steel mill, scrap metal
15 processing facility, or other establishment engaged in the business
16 of selling, repairing, or dismantling vehicles, or reducing vehicles
17 or the integral parts thereof to their component materials for the
18 purpose of investigating the title and registration of the vehicle,
19 inspecting wrecked or dismantled vehicles, or locating stolen
20 vehicles.

21 SEC. 2. *Section 1685 of the Vehicle Code is amended to read:*

22 1685. (a) In order to continue improving the quality of
23 products and services it provides to its customers, the department,
24 in conformance with Article 4 (commencing with Section 19130)
25 of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government
26 Code, may establish contracts for electronic programs that allow
27 qualified private industry partners to join the department in
28 providing services that include processing and payment programs
29 for vehicle registration and titling transactions.

30 (b) (1) The department may enter into contractual agreements
31 with qualified private industry partners. There are the following
32 three types of private industry partnerships authorized under this
33 section:



1 (A) First-line business partner is an industry partner that
2 receives data directly from the department and uses it to complete
3 registration and titling activities for that partner's own business
4 purposes.

5 (B) First-line service provider is an industry partner that
6 receives information from the department and then transmits it to
7 another authorized industry partner.

8 (C) Second-line business partner is a partner that receives
9 information from a first-line service provider.

10 (2) The private industry partner contractual agreements shall
11 include the following minimum requirements:

12 (A) Filing of an application and payment of an application fee,
13 as established by the department.

14 (B) Submission of information, including, but not limited to,
15 fingerprints and personal history statements, focusing on and
16 concerning the applicant's character, honesty, integrity, and
17 reputation as the department may consider necessary.

18 (C) Posting a bond in an amount consistent with Section 1815.

19 (3) The department shall, through regulations, establish any
20 additional requirements for the purpose of safeguarding privacy
21 and protecting the information authorized for release under this
22 section.

23 (c) The director may establish, through the adoption of
24 regulations, the maximum amount that a qualified private industry
25 partner may charge its customers in providing the services
26 authorized under subdivision (a).

27 (d) The department shall charge a three-dollar (\$3) transaction
28 fee for the information and services provided under subdivision
29 (a). The private industry partner may pass the transaction fee to the
30 customer, but the total charge to a customer may not exceed the
31 amount established by the director under subdivision (c).

32 (e) All fees collected by the department pursuant to subdivision
33 (d) shall be deposited in the Motor Vehicle Account. On January
34 1 of each year, the department shall adjust the fee in accordance
35 with the California Consumer Price Index. The amount of the fee
36 shall be rounded to the nearest whole dollar, with amounts equal
37 to, or greater than, fifty cents (\$0.50) rounded to the next highest
38 whole dollar.

39 (f) The department shall adopt regulations and procedures that
40 ensure adequate oversight and monitoring of qualified private

1 industry partners to protect vehicle owners from the improper use
2 of vehicle records. These regulations and procedures shall include
3 provisions for qualified private industry partners to periodically
4 submit records to the department, and the department shall review
5 those records as necessary. The regulations shall also include
6 provisions for the dedication of department resources to program
7 monitoring and oversight; the protection of confidential records in
8 the department's files and databases; and the duration and nature
9 of the contracts with qualified private industry partners.

10 (g) The department shall, annually, by ~~January 10~~ *October 1*,
11 provide a report to the Legislature that shall include all of the
12 following information gathered during the ~~calendar~~ *fiscal* year
13 immediately preceding the report date:

14 (1) Listing of all qualified private industry partners, including
15 names and business addresses.

16 (2) Volume of transactions, by type, completed by business
17 partners.

18 (3) Total amount of funds, by transaction type, collected by
19 business partners.

20 (4) Total amount of funds received by the department.

21 ~~(5) Detailed listing of funds expended from the Special Deposit~~
22 ~~Fund.~~

23 ~~(6) Description of any fraudulent activities identified by the~~
24 ~~department.~~

25 ~~(7) —~~

26 (6) Evaluation of the benefits of the program.

27 ~~(8) —~~

28 (7) Recommendations for any administrative or statutory
29 changes that may be needed to improve the program.

30 (h) Nothing in this section impairs or limits the authority
31 provided in Section 4610 or *Section 12155* of the Insurance Code.

32 *SEC. 3. Section 11705.5 of the Vehicle Code is repealed.*

33 ~~11705.5. (a) The department, after notice and hearing, may~~
34 ~~suspend or revoke the license issued to a manufacturer upon~~
35 ~~determining that the manufacturer has violated paragraph (2) of~~
36 ~~subdivision (b) of Section 6262 of the Revenue and Taxation Code.~~

37 ~~(b) The hearing provided for in subdivision (a) shall be~~
38 ~~conducted pursuant to Chapter 5 (commencing with Section~~
39 ~~11500) of Part 1 of Division 3 of Title 2 of the Government Code.~~

40 *SEC. 4. Section 24011 of the Vehicle Code is amended to read:*

1 24011. Whenever a federal motor vehicle safety standard is
2 established under ~~the National Traffic and Motor Vehicle Safety~~
3 ~~Act of 1966 (15 U.S.C., Sec. 1381, et seq.)~~ *federal law (49 U.S.C.*
4 *Sec. 30101, et seq.)*, no dealer shall sell or offer for sale a vehicle
5 to which the standard is applicable, and no person shall sell or offer
6 for sale for use upon a vehicle an item of equipment to which the
7 standard is applicable, unless:

8 (a) ~~Such~~ *The* vehicle or equipment conforms to the applicable
9 federal standard.

10 (b) The vehicle or equipment bears thereon a certification by
11 the manufacturer or distributor that it complies with the applicable
12 federal standards. The certification may be in the form of a symbol
13 prescribed in the federal standards or, if there is no federal symbol,
14 by a symbol acceptable to the department.

